

### **REMARKS**

The present response is intended to be fully responsive to the rejections raised in the March 19, 2007 Office Action, and is believed to place the application in condition for allowance. The Applicants do not acquiesce to any portion of the Office Action not particularly addressed. Favorable reconsideration and allowance of the claims is respectfully requested.

In the Office Action, the Examiner noted claims 1 and 3 – 71 are pending and rejected. The Applicants have amended claims 49 and 60 to more clearly recite the elements of the claimed invention. The Applicants have cancelled claims 50 and 66. Thus, claims 1, 3 – 49, 51 – 65, and 67 – 71 are pending in this application.

In view of the above amendments, and the following discussion, the Applicants submit none of the claims now pending in the application are anticipated under the provisions of 35 U.S.C. §102 or obvious under the provisions of 35 U.S.C. §103. Thus, the Applicants assert all of these claims are now in condition for allowance.

### **REJECTIONS**

#### **35 U.S.C. § 103(a) – Claims 1 and 3 – 48**

Claims 1 and 3 – 48 stand rejected under 35 U.S.C. § 103(a) as obvious over U.S. Patent No. 6,199,050, issued March 6, 2001, to *Alaia, et al.* (hereinafter “*Alaia*”) in view of the Applicants’ specification, pp. 1 – 5 (hereinafter “*Disclosed Prior Art*”) and the Examiner’s Official Notice. The Applicants respectfully disagree in view of the following arguments.

To reject a claim under 35 U.S.C §103, the initial burden is on the examiner to establish a prima facie case of obviousness. To do this, three basic criteria must be met: first, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings; second, there must be a reasonable expectation of success; and third, the prior art reference (or references when combined) must teach or suggest all the claim limitations. In addition, the teaching or suggestion to make the

claimed combination and the reasonable expectation of success must be found in the prior art, and must not be based on the Applicants' disclosure. MPEP §2142 (*citing In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)).

*Alaia* generally discloses a method and system for conducting electronic auctions utilizing a dynamic lot closing extension feature to avoid collisions in closing times of multiple lots. *See* Abstract. *Alaia* further discloses utilizing algorithmic and manual methods of regulating the incoming bids on a particular lot. *See gen.* Col. 8, l. 59 – Col. 10, l. 32. These regulations include: pausing an auction when disruption occur without prejudicing existing bidding activity; allowing bidder-determined line item decision rules so individual line items may be provided with a ceiling or floor within an entire lot; and detecting, preventing, and removing erroneous bids in a particular auction through particular confirmation and "failsafe" rules. *See Id.*

However, none of the cited references, either or alone or in combination, disclose each and every element of independent claims 1, 9, 16, 28 or 39. Specifically, for example, none of the cited references, either alone or in combination, disclose "an estimated market price" or "database" as recited by each of the independent claims.

The Examiner contends that the "estimated market price," as claimed by the Applicants, is disclosed by *Alaia* as the "current lowest or best bid, termed 'Market Bid'." *Office Action*, p. 4, ll. 8 – 9. However, such a contention by the Examiner ignores the description of an "estimated market price" as clearly recited throughout the Applicants' specification. For example, the specification provides in part (p. 5, l. 24 – p. 6, l. 7):

To help the user determine when to put its telecommunications traffic up for bid, the system preferably includes an RFP timing module that compares the user's actual rates to estimated market rates listed in a Best of Class (BOC) database. The BOC database includes commodity designations representing various classes of service and estimated market rate stored in association with the commodity designations. The estimated market rates can be kept current by manual updates or by the RFP and market database updating method described below. [...] By comparing the customer's actual telecommunications rates to the estimated market rates of the BOC database, the system facilitates efficient timing of the RFP process. The RFP timing module can be configured to notify the user when the projected cost savings attributable to current reductions in service rates is likely to outweigh the

expense of the RFP and contract negotiation process.

Thus, the Applicants' claimed "estimated market price" is a complex identifier within the Applicants' novel "Best of Class Database," representing a plurality of combined data factors obtained over a significant period of time, independent of any one particular auction, and is utilized to notify a user when a cost savings in service rates is likely to outweigh administrative expenses by utilizing the Applicants' claimed method and system. *See gen. Id.* While the "estimated market price" may be "updated" during a particular auction, it comprises a plurality of factors, beyond the lowest or best current bid for a particular lot.

The Examiner states in detail, with respect to claim 1, "[the] Examiner read 'the proposed price' as a bid price submitted by a bidder and 'estimated market price' as the lowest or best submitted bid price, termed the 'Market Bid' by *Alaia*. [...] [The] Examiner asserts that as the lowest or best bid price indicates the price at which a market participant is willing to complete the transaction, therefore a 'Market Bid' is an 'estimated market price'." *Office Action*, p. 30, l. 21 – p. 31, l. 4. While the Examiner's imputation of such a definition on the Applicants' claimed "estimated market price" may be a common and ordinary definition, which the Applicants' do not concede, it is certainly **not** "the broadest reasonable interpretation **consistent with the specification.**" *See In re Prater and Wei*, 162 USPQ 541, 550 (CCPA 1969).

In fact, the Applicants assert that utilizing a current low or best bid as the "estimated market price" would completely frustrate one of the fundamental purposes of the Applicants' claimed invention. A current bid could not be utilized to notify a user when a cost savings in service rates is likely to outweigh administrative expenses by utilizing the Applicants' claimed method and system because the auction would already be taking place.

Moreover, the Applicants assert that the Examiner completely ignores the claimed "actual market price," as recited by independent claims 1 and 9. The "actual market price" represents an actual bid received for a particular lot, which may include the winning or

best bid. Thus, the Applicants assert the "Market Bid" of *Alaia* more closely represents this claimed element, as opposed to the complex "estimated market price."

Also, the Examiner contends the "database," as claimed by the Applicants, is disclosed by a "server component" of *Alaia*. *Office Action*, p. 3, l. 6. However, the Examiner's contention that a "database" is disclosed by the existence of a server, particularly a database having the claimed limitations as recited by the Applicants' claims, contradicts the Applicants' specification, particularly the claims themselves. For example, claim 1 recites in part: "updating the database with the proposed price for the at least one specified commodity...." As those of ordinary skill in the art are well aware, a "server," as disclosed by *Alaia*, could not be updated with proposed prices for a specified commodity. In fact, one of ordinary skill in the art would understand that a server may be used to host a database, but would not consider them one in the same.

Despite citing the "server" in *Alaia* as disclosing the claimed "database," the Examiner takes Official Notice that "a database of predefined information and/or allowing a system user to select from among such predefined information is old and well known in the art of database management and online systems." *Office Action*, p. 7, ll. 6 – 9. While the Applicants agree a basic database having stored information is known in the art of database management, this Official Notice does not assist the Examiner in meeting his burden of showing a *prima facie* case of obviousness. *See supra.*, MPEP §2142.

Based on the Examiner's analysis and arguments, the Applicants believe the Examiner is attempting to combine the "server" of *Alaia* with the broad concept of a database having predefined information. However, even if these concepts could be combined, which the Applicants do not concede, any such combination would result in a network server hosting a standard database having predefined variables. The Applicants assert no plausible combination would result in a complex database as claimed by the Applicants.

Upon thorough review of the cited references, the Applicants assert no reference, alone or in combination, discloses, suggests or teaches a concept remotely related to the Applicants' claimed "estimated market price" or "database," among other elements. Thus,

the Applicants' assert no *prima facie* case of obviousness can be made because the references, either alone or in combination, fail to teach or suggest all the claimed limitations.

Furthermore, the Examiner cites the *Disclosed Prior Art* as disclosing, suggesting or teaching automating the reverse auction methodology because "it has been held that **broadly** providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art." *Office Action*, p. 7, l. 20 – p. 8, l. 3 (citing *Dann v. Johnston*, 425 U.S. 219, 227-230; and *In re Venner*, 120 USPQ 192 (CCPA 1958)) (emphasis added). However, as the Examiner should be aware, there are a significant number of cases dictating that the existence of structure and/or particular methodology combined with an automated means for a previously manual process may be patentable and falls outside the realm of *In re Venner* and other similar cases. See e.g. *In re Hamilton*, 20 C.C.P.A. 987 (1933) ("[the] element does not call merely for the substitution of automatic opening and closing of a valve which had theretofore been performed by hand, but in addition the means embrace the certain opening and closing of the valve periodically or at regularly recurring intervals. It is not therefore merely a substitution of automatic means for an operation which had theretofore been performed by hand, and for that reason we do not think that the cases of *In re Rundell*, and *In re Gill*, are applicable here.") (Note: *In re Rundell* is cited by *In re Venner* as the source for the proposition cited by the Examiner).

The Applicants assert that *In re Venner* is not applicable to the present case, whereas the Applicants are not claiming, or arguing, the reverse-auction methodology taught by the *Disclosed Prior Art* is merely automated by the Applicants claimed invention. Moreover, the Applicants are asserting the claimed invention comprises a plurality of elements and limitations which, when utilized in conjunction with one another, create a novel and non-obvious method and system to facilitate particular aspects of a reverse-auction as claimed.

As such, the Applicants assert neither a *prima facie* case of anticipation nor obviousness has been made in view of claims 1, 9, 16, 28, or 39. That is, the cited reference, alone or in combination with knowledge generally available to those of ordinary skill in the art, fails to disclose, suggest or teach all of the elements as claimed by the Applicants. The

remaining rejected claims are similarly neither anticipated nor obviated, whereas they are dependent, either directly or indirectly, on one of the independent claims. Thus, the Applicants kindly request the present rejection be withdrawn and the claims allowed.

**35 U.S.C. § 103(a) – Claims 49 – 71**

Claims 49 – 71 stand rejected under 35 U.S.C. § 103(a) as obvious over *Disclosed Prior Art* in view of *Alaia* and the Examiner's Official Notice. The Applicants respectfully disagree in view of the following arguments.

The Applicants have cancelled claims 50 and 66, and amended independent claims 49 and 60 to further depict the limitations of the cancelled claims, respectively. As such, claims 49 and 60 now recite an "estimated market price" and "database," among other limitations.

The Applicants assert the arguments discussed above with respect to the rejection of claims 1, and 3 – 48 are applicable to claims 49 and 60 as amended, and are incorporated herein as if fully discussed. Therefore, the Applicants assert neither a *prima facie* case of anticipation nor obviousness has been made in view of claims 49 and 60 because the cited references, alone or in combination, fail to disclose, suggest or teach all of the elements as claimed by the Applicants.

The remaining rejected claims are similarly neither anticipated nor obviated, whereas they are dependent, either directly or indirectly, on one of the independent claims. Thus, the Applicants kindly request the present rejection be withdrawn and the claims allowed.

### CONCLUSION

In view of the foregoing, the Applicants submit none of the claims presently in the application are anticipated under the provisions of 35 U.S.C. § 102 or obviated under the provisions of 35 U.S.C. § 103. Consequently, the Applicants believe all claims are presently in condition for allowance. Accordingly, both reconsideration of this application and its swift passage to issuance are earnestly solicited.

If, however, the Examiner believes any unresolved issues still exist or if, in the opinion of the Examiner, a telephone conference would expedite passing the present application to issue, the Examiner is invited to call the undersigned agent directly at 732-978-4893 or the office of the undersigned agent at 732-935-7100 so appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Date: April 23, 2007

By: /Jonathan A. Fallon/

Jonathan A. Fallon

Registration No. 58,506

MOSER IP LAW GROUP

1040 Broad Street – 2<sup>nd</sup> Floor

Shrewsbury, NJ 07702

(732) 935-7100